I am against changing the current manner in which loan officers are compensated for originating mortgage loans! To look outside the box I wonder why the mortgage industry is so heavily scrutinized and tremendously capped on the amount of income incurred per loan closing.

What other industry has been or is under the gun?? Not the auto industry! Even though the auto industry has suffered recent losses, no measures have been taken to cap the dealers and their commissioned sales staff. There is no regulation in force nor on the table to assist the consumer in getting fair market value for trade-ins. Consumers suffer from low trade-in values and increased loan amounts on their new purchase, eventually leading them into an “upside down” situation. There does not seem to be a concern for repossession ratings in the auto industry. Nor does there seem to be a concern of extremely high auto interest rates. The consumers have the right for transportation and pay dearly for it. Does it seem fair that two completely, unrelated consumers pay different prices for the exact make/model/year of auto? No!, yet it happens daily. It is no secret that the price of an auto generates income for the sales person. The weaker the consumer is in negotiations the higher the price they pay. Is anyone doing anything about this to assist the consumer?!!

Current government mortgage closings average 5.5% interest rate on a 30-year Fixed mortgage. The general public is lucky to get 8.9% on their auto loans, causing auto loan payments to be as much as a house payment. Yet there is a motion on the table to assist the consumers in getting a better mortgage rate!! Better, better than what? The mortgage industry rates are at a historic low. Why, because the secondary market drives the mortgage rates, not because mortgage brokers are cutting or increasing their net profits per loan. Consumers are savvy to the current rates. The mortgage industry has not caused a recession! People's homes are not being foreclosed upon because of the amount of money a loan officer netted off of their loan closings! A quarter to half a percent higher in interest rate typically yields $25 to $50 more in a monthly payment. The difference is NOT significant enough to cause a consumer to go into foreclosure.

Due to the high volume of competition, the consumers are getting great rates! All mortgage brokers and bankers within the same area are quoting and closing loans within the same rate as the market dictates! I do not see how prohibiting certain payments to a mortgage broker or loan officer that are based on the loan's terms and conditions going to assist the consumer in securing a better mortgage. What I do see it doing is ultimately hurting the consumer because competition will go out of business and consumers will be at the mercy of the “big banks”!! Mortgage brokers originate, process, order services from local vendors, close, fund, quality control funded loans, and retain records for all mortgage loans plus pay overhead and are responsible for any payroll. Why do I mention this? Because mortgage brokers play a significant role in the function and prosperity of its community. These mortgage brokers cannot operate with significantly reduced incomes. Therefore, mortgage brokers close doors and competition dwindles. Who does this hurt? In the end changing the manner in which mortgage brokers/loan officers are compensated hurts the consumers for lack of "shopping and comparison", the mortgage brokers whom go out of business, the banks that service the mortgage brokers mortgages since income is cut and can no longer pay for their mortgages, auto industry servicing the mortgage brokers auto loans since they can no longer pay for the auto loans, gas companies since mortgage brokers/loan officers do a great deal of traveling, local vendors that rely on credit counseling referrals/credit report orders/appraisal orders/survey orders/title company orders, landlords office space rentals become vacant, copier rental equipment services are cancelled, telephone services both land lines and cellular will be cut off, high speed internet will be shut down, the electronics industry concerning PC's and printers will feel the brunt of it, office supply companies orders drop, and the list goes on and on!

As noble as the regulation reform is it is plain to see that the change will definitely have a negative impact on every community within the United States.

Sincerely,

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